

NEWS FROM WASHINGTON

NCWorks Partnership Conference

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The 116th Congress

(January 3, 2019-January 3, 2021)

- ❑ Democrats Control House Agenda with Majority of 235 to 198 (1 independent and 1 vacancy)
 - ❑ Expect aggressive oversight from committees
- ❑ Senate Republicans Expanded Their Margin to 53-47
 - ❑ Support for Administration's positions strengthened with new R's from Tennessee, Missouri, and North Dakota
- ❑ Difficult Environment for Legislative Achievements in 2019-20 With Divided Congress and Presidential Election on the Horizon
 - ❑ TANF, Higher Education Act, Infrastructure, Immigration?

Committees: House Change and Senate Continuity

House: most committees/subcommittees will switch leadership as D's become chairs and R's move from chair to ranking member. An influx of new members will impact every committee.

Senate: workforce-related committee leadership stable.

***Freshmen in 116th Congress:
10 New Senators and 101 New
Representatives ...***

The congressional freshman class of 2019:

- ***is the most racially diverse and***
- ***largest female group of representatives ever elected to the House and***
- ***boasts a number of firsts, including the first Native American congresswomen and the first Muslim congresswomen***

Workforce Committees

Senate HELP Committee



**Chairman
Lamar Alexander
R-Tennessee**



**Ranking Member
Patty Murray
D-Washington**

House Committee on Education and Labor



**Chairman
Bobby Scott
D-Virginia**



**Ranking Member
Virginia Foxx
R-North Carolina**

Workforce Appropriations

- ❑ After longest federal government shutdown (partial to be precise) in U.S. history, an agreement to fund the government was reached first for 3 weeks and then for the remainder of FY2019
- ❑ WIOA and TANF were not at stake in latest budget brawl
- ❑ FY2020 spending debate in play, possibly for remainder of year; for new we have a CR
- ❑ Overall budget and debt ceiling limit found bi-partisan solution but so far actual appropriations bills are proving more difficult to resolve
- ❑ Huge growth in deficit is long-term challenge



Fig. 2: Base Allocations by Appropriations Subcommittee (Billions of Dollars)

Subcommittee	FY 2017	FY 2019	Percent Increase
Agriculture	\$20.9	\$23.0	+10.2%
Commerce-Justice-Science	\$56.6	\$64.1	+13.3%
Defense	\$516.1	\$606.5	+17.5%
Energy and Water	\$37.8	\$44.6	+18.0%
Financial Services-General Govt.	\$21.5	\$23.4	+8.8%
Homeland Security	\$42.4	\$49.4	+16.5%
Interior-Environment	\$32.3	\$35.6	+10.2%
Labor-HHS-Education	\$161.0	\$178.1	+10.6%
Legislative Branch	\$4.4	\$4.8	+9.1%
Military Construction-VA	\$82.4	\$97.1	+17.8%
State-Foreign Operations	\$36.6	\$46.2	+26.2%
Transportation-HUD	\$57.7	\$71.1	+23.2%
Total Spending	\$1,069.6	\$1,244.0	+16.3%

Source: Congressional Budget Office.

Workforce Funding

(In \$ Millions)

<u>WIOA and Partners</u>	<u>FY2018</u>	<u>FY2019</u>	<u>North Carolina PY2019</u>	<u>President's Proposed FY2020 Budget</u>	<u>House Approved FY2020 Budget</u>	<u>Senate Budget FY2020 Proposal</u>
Adult	\$845,556	\$845,556	\$26,264	\$845,556	\$900,000	\$845,556
Dislocated Worker (State Formula)	\$1,040,860	\$1,040,860	\$29,116	\$1,040,860	\$1,103,360	\$1,040,860
Youth	\$903,416	\$903,416	\$27,664	\$903,416	\$964,000	\$903,416
National Reserve	\$220,859	\$220,859		\$134,717	\$370,859	\$230,859
Job Corps (operations)	\$1,603,325	\$1,603,325		\$908,457	\$1,603,325	\$1,603,325
Apprenticeship	\$145,000	\$160,000		\$160,000	\$250,000	\$170,000
Wagner-Peyser Job Service	\$686,231	\$682,870	\$19,173	\$682,870	\$680,000	\$663,052
SCSEP	\$400,000	\$400,000		-0-	\$463,800	\$400,000
Indian and Native American Programs	\$54,000	\$54,500		-0-	\$55,000	\$54,500
Migrant and Seasonal Farmwkr	\$87,896	\$88,896		-0-	\$98,896	\$88,896

Alas, There Are Always “Winners” and “Losers” When it Comes to Money

Big Winners PY'19

Alaska *+
Arizona *+
DC *+
Maryland *+
Michigan *+
New Jersey *+
New York *+
Ohio *+
Puerto Rico *+
Washington *+

Maximum Cuts PY'19

Alabama*+	Oklahoma *+
Arkansas*+	Oregon *+
Colorado *+	South Carolina*+
Florida *+	Tennessee *+
Georgia*+	Texas +
Idaho +	Virginia *+
Indiana *+	Wisconsin *+
Iowa *+	
Kansas *+	
Maine *+	
Massachusetts *	
Minnesota *+	
Missouri *+	

* Adult
+ Youth

Perkins Reauthorized

Strengthening Career and Technical Education for the 21st Century Act Public Law 115-224

- ❑ Three funding streams:
 - Title I – Basic State Grant
 - Section 114 – National Activities
 - Section 117 – Tribally Controlled Postsecondary CTE Institutions
- ❑ Amendments to Wagner-Peyser Act, WIOA and ESSA are included in Title III
 - ❑ Perkins creates common definitions across the various programs
- ❑ Effective Date: July 1, 2019
- ❑ Transition Year: July 1, 2019-June 30, 2020

Perkins Defines WBL

Work-Based Learning. While WIOA promotes and values WBL, there remains a good deal of room to define what constitutes an authentic WBL experience. The Perkins reauthorization, however, includes a definition that may also become a standard for WIOA.

- “(55) *WORK-BASED LEARNING.*—The term ‘work-based learning’ means sustained interactions with industry or community professionals in real workplace settings, to the extent practicable, or simulated environments at an educational institution that foster in-depth, firsthand engagement with the tasks required in a given career field, that are aligned to curriculum and instruction.”

Local Workforce System Has Input Into State and Local Plans

Local Applications. The local plan is now called the Local Application. It begins with a comprehensive needs assessment that primarily focuses on the supply side rather than the demand side of the local economy. The plan must address nine elements, with the following involving career centers and Youth Programs:

- a description of how the eligible recipient, in collaboration with local workforce development boards and other local workforce agencies, one-stop delivery systems, and other partners, will provide a series of career exploration and career guidance activities

Workforce-Related Congressional Action in 2019

- Higher Education Act is facing stiff headwinds again this year
- Talk of an Infrastructure Bill Resurfaces From Time-to-Time but Lacks Broad Support
- WIOA Oversight Hearings Likely But No Strong Sense of Where Workforce Policy Should be Going; No Big Ideas



Higher Education Act

Some see light at the end of the tunnel but reauthorization remains a bi-partisan challenge:

- ✓ Align education with the needs of today's workforce
 - ✓ Pell grants to include high-quality, short-term programs
- ✓ Increase institutional accountability; i.e. “skin in the game”
- ✓ Simplify student aid and encourage responsible borrowing
- ✓ Provide students with more useful information about schools and programs
- ✓ Reform Federal Work Study to focus on career-oriented, work-based learning opportunities

Foot Note: will advocates for amendments to WIOA use HEA reauthorization as a way to make some changes in the workforce bill?

Now Over 20 Years with Work Requirements for Welfare; Has It Worked?

- Is TANF as a career center partner working out so far?
- Funding agreement extended TANF through FY2019
- Points of Possible Agreement in a TANF Reauthorization:
 - Spend more on ABE, soft skills, training and work-based learning
 - Focus more on outcomes; less on process



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Specific Ideas That Have Been Considered but Also Draw Opposition

- Require more specific and stringent assessment and work plans for recipients
- Eliminate tracking of participation for certain recipients:
 - Those in placement programs where at least 50% of payment is performance based on placement and retention
 - Up to 6 months for those in subsidized employment if state TANF is paying at least 25% of cost
 - Up to 3 months for those in employer-directed training programs where employer agrees to hire successful completers
- Eliminate 2 parent work participation rate and change income rules for newly wed
- Apply minimum work participation rate requirement on all states at 10% for FY2020 and 20% for FY2021 and each year thereafter
- Modify work participation rate methodology to provide some credit for those who participate for some but not the required number of hours
- Allow states to extend maximum time in job search and job readiness training for those in substance abuse, mental health or rehabilitation programs

Expanding Work Requirements in Social Policy

- ***Medicaid Waivers***
 - CMS Policy Promotes Work and Community Engagement
 - But Prohibits Using Medicaid Funds for Workforce Activities
 - Kentucky, Indiana, New Hampshire, Wisconsin and Arkansas Policies Have Been Approved; Also Applying are Maine, North Carolina, Kansas, Utah and Arizona
 - But So Far the Waivers Have Failed in Court
- Last year, Republican House Approved ***Broader Work Requirements*** for Certain SNAP Recipients in Farm Bill. Senate Rejected Change and Prevailed in Final Vote.
 - Administration Seeking to Clamp Down on Work-Requirement Waivers in 36 States for ABAWD's.

NEW LEADERSHIP AT DOL

Secretary Eugene Scalia



**Assistant Secretary for Employment
and Training John P. Pallasch**



Meanwhile Policy and Plans At Federal Agencies



GETTING RID OF REGULATIONS?

- Employer Status in Franchises
- Who Do GIG Workers Work For
- Gainful Employment Rule
- Wage at Which Overtime Must be Applied
- Minimum Wage

National Council for the American Worker

- ❖ Established by President last summer.
- ❖ Members include
 - ❖ 4 co-chairs: Secretaries of Commerce and Labor and 2 advisors to President
 - ❖ 10 federal government officials or their designees
- ❖ Develop a nationwide strategy for training and retraining job seekers and employees in high-growth industries with good wages.



American Worker Policy Advisory Council

25 member council appointed by President

- Business Leaders Including CEOs of Apple, IBM, Siemens, and Walmart
- Elected Officials: Governors of Indiana and Iowa, Mayor of Charlotte
- Workforce: NASWA, AACC, KCTC, WSU Tech
- Others: Unions, Nonprofits, educators

- Will advise the National Council
- Key players such as IBM, FedEx, General Motors, Microsoft, Lockheed Martin, Walmart have pledged to hire or train more than 3.8 million people over the next five years.
- Participating companies will focus on expanding apprenticeships, on-the-job training and retraining opportunities for adult workers.

New Directions in Workforce Policy

- \$ for Apprenticeship Expansion But for IRAPs?
 - Trade Groups and Private Industries Would Administer and Certify Programs
 - May Face Legal Challenge from Democrats
- More State Flexibility for Wagner-Peyser Staffing
- Job Corps
 - Stronger Career Training Focus
 - Pilots Giving Some Authority to Governors
- Opportunity Youth
- Immigration Policy



STAY TUNED

QUESTIONS

COMMENTS

THANK YOU!

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